

**BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE
OF THE STATE OF TENNESSEE AT NASHVILLE**

TENNESSEE SECURITIES DIVISION

Petitioner,)	
)	
VS.)	Docket No.: 12.06-004006A
)	File No.: 98-009
FIRST FINANCIAL INVESTMENT)	
SECURITIES, INC.; and LAUREL LORAIN)	
MILLER)	
)	
Respondents.)	

CONSENT ORDER

The Tennessee Securities Division (the "Division") and First Financial Investment Securities, Inc. agree to the entry of this Consent Order in accordance with T.C.A. §48-2-116 of the Tennessee Securities Act of 1980, as amended, T.C.A. §§48-2-101, et seq. (The "Act"), which states that the Commissioner from time to time may make such orders as are necessary to carry out the provisions of the Act.

FINDINGS OF FACT

The Tennessee Securities Act of 1980, as amended, T.C.A. §48-2-101, et seq. (the "Act"), places the responsibility for the administration of the Act on the Commissioner of Commerce and Insurance ("Commissioner"). The Division is the lawful agent through which the Commissioner discharges this responsibility. T.C.A. §48-2-115.

2. First Financial Investment Securities, Inc. "FFISI" (CRD 40418) is registered as a broker-dealer with the Division pursuant to the Act.

3. FFISI maintains its business address at 901 S. MoPac, Barton Oaks Plaza II, Suite 450, Austin, Texas 78746.

4. Laurel Lorain Miller "Miller" (CRD 335161) is currently employed as an agent of FFISI. An agent registration application for Miller has been pending before the Division since July 27, 1998. Miller maintains a business address at 7557 Rambler Road, Suite 10, Dallas, Texas 75231.

5. During the preparation of Miller's application, FFISI inquired of the Division whether the State of Tennessee permits a *de minimus* number of unregistered securities transactions. A copy of the applicable statute, T.C.A. §48-2-102, was forwarded by a member of the Division staff to FFISI. T.C.A. §48-2-102(3)(D) permits a *de minimus* number of transactions to be executed by a person not registered with the Division as a broker-dealer under certain delineated circumstances. FFISI interpreted the statutory provision as allowing Miller to conduct business in the State of Tennessee during the pendency of his application. Accordingly, Miller executed a total of four unsolicited securities transactions for two Tennessee residents: Francine Overton, 50 Century Boulevard, Nashville, Tennessee 37214; and Jimmie J. Russell and Dale L. Russell, 3514 Kelly's Road, Chattanooga, Tennessee 37419. All of the transactions involved purchases of the stock of Kit Karson Corporation ("KTKC").

6. At no time during the execution of the subject transactions was Miller registered as an agent with the Division pursuant to the Act.

7. Were the Division to pursue the administrative proceeding currently pending against FFISI, evidence would be introduced to establish the following:

- (a) Miller sold securities to Tennessee residents during a period of time in which he was not registered with the Division as an agent of FFISI;
- (b) FFISI permitted Miller to act as an agent in the State of Tennessee although he was not registered as an agent with the Division.

CONCLUSIONS OF LAW

8. Pursuant to Tennessee Code Annotated Section 48-2- 5(a), the responsibility for the administration of the Act is upon the Commissioner. The Division is the lawful agent through which the Commissioner discharges this responsibility.

9. Pursuant to Tennessee Code Annotated Section 48-2-112(a)(2)(B) the Commissioner, by order may deny, suspend, or revoke any registration under this part if the Commissioner finds that the order is in the public interest, necessary for the protection of investors, and if he finds that the registrant, or in the case of a broker-dealer, any officer, director, or any person occupying a similar status or performing similar functions has willfully violated or willfully failed to comply with any provision, rule or Order under the Act.

10. T.C.A. §48-2-109(b) provides, in pertinent part, that it is unlawful for any broker-dealer to employ an agent to transact business as an agent unless the agent is registered under this part.

11 The averments in paragraph 7, of this Consent Order, if proven true, would constitute practices by FFISI and its agent, which would provide grounds under Tennessee Code Annotated Section 48-2-112(a)(2)(B) for the entry of an order of sanctions against FFISI.

ORDER

NOW, THEREFORE, on the basis of the foregoing, and First Financial Investment Securities, Inc.'s waiver of its right to a hearing and appeal under the Tennessee Securities Act and Tennessee's Uniform Administrative Procedures Act, Tennessee Code Annotated §§4-5-101 et seq., and First Financial Investment Securities, Inc.'s admission of jurisdiction of the Commissioner, the Commissioner finds that First Financial Investment Securities, Inc., for the sole purpose of settling this matter and without admitting or denying the matters herein, has consented to the entry of this Order and that the following Order is appropriate, in the public interest and necessary for the protection of investors.

IT IS ORDERED, pursuant to Tennessee Code Annotated §48-2-116(a) of the Tennessee Securities Act that:

First Financial Investment Securities, Inc. shall fully comply with the Tennessee Securities Act, as amended, and all rules promulgated thereunder.

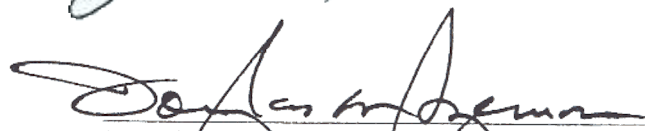
2. First Financial Investment Securities, Inc. shall offer to rescind the four stock purchase transactions executed by Laurel Lorain Miller for Francine Overton, and Jimmie J. and Dale L. Russell. Said rescission offer will be made to the customers within 30 days from that date of entry of this order. Written proof of the rescission offer, the customers acceptance or

rejection of the rescission offer, and execution of the customers' decision shall be provided to the Tennessee Securities Division within 60 days from the date of entry of this order.

IT IS ORDERED that this Order represents the complete and final resolution of, and discharge with respect to all administrative and civil, claims, demands, actions and causes of action by the Commissioner against First Financial Investment Securities, Inc for violations of the Act arising from the sale of Kit Carson Corporation stock in Tennessee, to Francine Overton and Jimmie J. and Dale L. Russell, by its agent Laurel Lorain Miller.

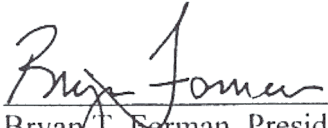
This Consent Order is in the public interest and in the best interests of the parties, and represents a compromise and settlement of the controversy between the parties and is for settlement purposes only. By the signatures affixed below, First Financial Investment Securities, Inc. affirmatively states that it has freely agreed to the entry of this Consent Order, that it has been advised by the undersigned counsel of record in this matter, that it waives its right to a hearing on the matters underlying this Consent Order and to a review of the Findings of Fact and Conclusions of Law contained herein, and that no threats or promises of any kind have been made by the Commissioner, the Division, or any agent or representative thereof. The parties, by signing this Consent Order, affirmatively state their agreement to be bound by the terms of this Consent Order and aver that no promises or offers relating to the circumstances described herein, other than the terms of settlement set forth in this Consent Order, are binding upon them.


ENTERED this 21st day of January, 1999.

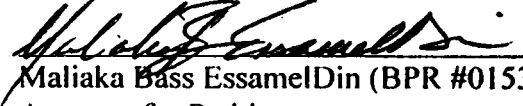

Douglas M. Sizemore, Commissioner
Department of Commerce and Insurance

APPROVED FOR ENTRY:

First Financial Investment Securities, Inc.

By: 
Bryan T. Forman, President


Daphne D. Smith
Assistant Commissioner for Securities
Department of Commerce and Insurance


Maliaka Bass EssameDin (BPR #015362)
Attorney for Petitioner
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25th Floor, Tennessee Tower
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Nashville, Tennessee 37243
(615) 741-5917

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing has been served upon the person listed by delivering same or posting same in the United States Mail, Certified Mail, Return Receipt Requested: First Financial Securities, Inc., 901 S. MoPac, Barton Oaks Plaza II, Suite 450, Austin, Texas 78746.

This 22nd day of January, 1999.


Maliaka Bass EssameIDin